GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2506
ANSWERED ON:09.05.2016
Impact of Recession on Exports
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the recessionary trends in Europe, the United States of America and other countries has adversely affected the exports from the country during the last three years and if so, the details thereof, year-wise;
(b) the details of the schemes/incentives offered and likely to be announced by the Government to promote the exports of various items including cotton and textile exports to counter the effects of the said recession;
(c) whether the Government has curtailed the export target in view of the recession in the international market and if so, the details thereof;
(d) whether the Government has announced any incentive package for the exporters of the small and medium industries and if so, the details thereof; and
(e) the steps taken by the Government to settle the pending financial claims of the exporters at the earliest?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) In the recent period India's export has been adversely affected by recessionary trends across the globe, including in European Union and the United States of America. India's global exports data in recent years is as follows:

Value in US $ Billion
Year Exports % Growth
2013-14 314.41 4.66
2014-15 310.34 -1.29
2015-16 (Provisional) 262.01 -15.57
Source: DGCI&S
(b) Details of the schemes/ incentives offered by the Government to promote exports of various items including cotton and textile are as follows:-
(i) The Merchandise Exports from India Scheme (MEIS) introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015 aims to incentivize export of merchandise which are produced/manufactured in India. As on date, 5012 Tariff Lines including important textile and readymade Garments tariff lines are eligible for rewards under MEIS.
(ii) The Government has introduced the Interest Equalisation Scheme on Pre & Post Shipment Rupee Export Credit with effect from 1.4.2015. The scheme is available to all exports under 416 tariff lines [at ITC (HS) code of 4 digit] and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC (HS) codes. The rate of interest equalisation is 3% per annum.
(iii) In addition the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) and Drawback/Refund of Duties.

(c) Exports target is as given below:
Value USD Billion
Year Target fixed
2013-14 325
2014-15 340*
Source:DoC
*thereafter no target has been set.

(d) As indicated above, Government of India's export promotion schemes generally apply across MSMEs and larger producers. In particular, under the Interest Equalization Scheme all exports of manufacturing MSMEs are covered.
(e) For expeditious settlement of exporters' claims, Government has set up a system to enable online filing and processing of requests. Time lines for processing of such claims have also been notified.

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